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Sargent, Aaron

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Place:
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Date:
1862

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THE

THEORY AND PRACTICE

OF

BOOK-KEEPING

COMBINED.

BY

AARON SARGENT.

BOSTON:
SWAN, BREWER & TILESTON.
1862.

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THE

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BOSTON:
SWAN, BREWER & TILESTON.
1862.

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PREFACE.

BOOK-KEEPING should be taught, theoretically, in all our High and Grammar Schools, though it may require actual business practice and experience to make a proficient book-keeper.

In the following treatise, it has been the aim to present the subject in so plain and simple a form, that when the learner shall have occasion, he will be able to carry the theory into practice, and, with experience, become a master of his profession.

The Examples for Illustration, with the pages preceding them, are intended as rules by which to acquire a knowledge of the study; and the Examples for Practice are intended as problems to be solved, the answers being given in the aggregates of each Trial Balance, and finally in the net gain and net capital at the time of closing the Ledger.

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BOOK-KEEPING.

ITS PURPOSE.

BOOK-KEEPING is the recording, in blank books made for the purpose, the every-day business transactions of the Merchant, Manufacturer, or Trader, clearly, concisely, and in so perfect a manner, that he can at any time know how much property he has, and of what it consists; how much he owes, and to whom, and how much others owe to him, and who they are; and whether he is doing business at a profit or a loss, and how much profit or loss.

BOOKS.

The principal books used in Book-Keeping are the Cash Book, Waste or Day Book, and Ledger.

The Cash Book contains the *original entries* (i. e., the first records or entries) of the transactions in which *cash* forms a part; in other words, an account of all cash received and all cash paid.

The Waste Book contains the *original entries* of the transactions in which *cash* forms *no* part.

The Ledger contains all the items of the books of *original entries*, transferred therefrom, and arranged, each under its distinctive head or title, as will be explained. The process of transferring is called *Posting*.

Other books, auxiliary to those already named, are the Inventory Book, Note Book, Invoice Book, Sales Book, &c., according to the nature of the business, and as may be found convenient. Sometimes one or more of these books are used as books of *original entries*, and the posting to the Ledger is made from these books; and when so used, the transactions recorded in such of them as are so used, must not be recorded in any other book of original entries.

In order that any account in the Ledger may be readily found, a small book, called the Index, accompanies the Ledger, in which the titles of all the Ledger accounts are alphabetically arranged; one or more pages being appropriated to each letter of the alphabet.

ACCOUNTS.

Accounts represent property, indebtedness by or to those with whom business is transacted, and gain and loss by trade; and are designated by the titles of Stock,* for the capital employed in business; Cash, for money in bank, or in store or counting room; Merchandise, for general articles of trade; Shipment, or Adventure, (naming the vessel by which, or the port to which, shipped; and if more than one shipment by the same vessel or to the same place, may be numbered,) for goods shipped to other ports to be sold for account of the

* Note. — When there are two or more persons in a firm, the individual names of its members are used in lieu of the word *Stock*, and each is debited or credited in his own name.

shipper; CONSIGNMENT FROM, (naming the person or firm from whom received; and if more than one consignment from the same person or firm, may be numbered,) for goods received from others to be sold for their account; NOTES RECEIVABLE, for all notes made and payable *by* and received *from* others, and also for all drafts drawn *on*, and accepted and payable *by*, others; NOTES PAYABLE, for all notes and acceptances given and payable *to* others; REAL ESTATE, (naming the locality;) SHIPS, (naming them;) BANK, INSURANCE, RAILROAD, MANUFACTURING, or other STOCK, (naming the company;) PERSONS, FIRMS, or COMPANIES, (naming them;) COMMISSION, charged for selling goods, or transacting other business; INTEREST, received and paid; EXCHANGE, on remittances; EXPENSE, incident to the business; PROFIT & LOSS, (into which all accounts representing gain or loss are finally closed, as will be explained;) and BALANCE, (used in closing the Ledger, as will be explained.)

Every account has a debtor (Dr.) side, — the left hand side; and a credit (Cr.) side, — the right hand side.

A thing received is Dr. to the equivalent parted with; and the thing parted with is Cr. by the equivalent received. In making an entry of a transaction, then, the titles of two accounts are to be named, the one being made Dr. to the other; and it is this which gives to this method of Book-Keeping the name of "*Double Entry.*" Sometimes it requires more than one thing which is Dr. to be equal in amount to the thing which is Cr.; or more than one thing which is Cr. to be equal in amount to the thing which is Dr. In this case the word *Sundries* is used, at the commencement of the original entry, for the several things which are Dr. or Cr., and the distinctive titles of these Sundries enumerated below, as will be explained.

In making an original entry of a transaction, four things are to be considered: —

1st. The date of the transaction.

2d. The titles of the accounts that are to be made Dr. and Cr.

3d. A clear and detailed statement of the transaction.

4th. The sum to which the transaction amounts in dollars and cents, expressed in figures.

Let it be remembered, and well remembered, (for upon this fact depends the correct entering of all the original entries in Book-Keeping,) *that what is received is Dr., and what is parted with is Cr.*

EXAMPLES FOR ILLUSTRATION.

ORIGINAL ENTRIES.

EDWARD WILSON commenced business in Boston on the second day of January, 1860, with 500 bbls. Flour, worth $7 per bbl.; 200 bbls. Pork, worth $15 per bbl.; B. D. Jameson's Note for $2500, dated Dec. 5, 1859, payable in 6 months; and $5000: and he owes John Wheeler a Note for $1000, dated Nov. 14, 1859, payable in 4 months.

The original entries from these facts or items are now to be made. In the first, (Flour,) second, (Pork,) third, (B. D. Jameson's Note,) and fifth, (Note to John Wheeler,) items, the title of Cash forms no part of the entries to be made, and the original entries, therefore, must be made in the Waste Book. What has been received? In the first, second, and third items, Flour, Pork, and B. D. Jameson's Note, have been received into the business. Merchandise, for the first and second items, and Notes Receivable for the third item, are, therefore, Dr. What has been parted with? Edward Wilson has, from himself as an individual, received into his business Flour, Pork, and B. D. Jameson's Note; Stock, therefore, for this capital, is Cr. The entry, then, must be *Sundries* (for the Merchandise and Notes Receivable) *Dr. to Stock.* In the fifth item he has made himself Dr. to this Note that he owes John Wheeler, and which he brings into his business. Stock, therefore, is (not Cr. as before, but) Dr. He has parted with his Note. Notes Payable, therefore, is Cr. The entry, then, must be *Stock Dr. to Notes Payable.* The Waste Book entries for the Flour, Pork, B. D. Jameson's Note, and Note to John Wheeler, will, in form, (remembering the four things necessary to be considered in making an entry,) stand as entered on page 13 of this book, first and second entries. (Except that the figures in the second space from the left, called the *post-marks*, and denoting the folio (i. e., page) of the Ledger to which the item of the account named on the line with it, in the third space, is posted, are not placed in their position until the posting is performed; as will then be explained.) In the fourth item, ($5000,) the title of Cash forms a part of the entry to be made, and the original entry, therefore, must be made in the Cash Book. What has been received? $5000 have been received into the business. Cash, therefore, is Dr. What has been parted with? Edward Wilson has, from himself as an individual, received into his business $5000. Stock, therefore, for this capital, is Cr. The entry, then, must be *Cash Dr. to Stock*, and on the left hand page of the Cash Book; and will, in form, (except the post-mark,) stand as entered on page 18, first entry.

In actual business, the original entries having been made, other entries of the same may be made in such auxiliary books as may be found necessary or convenient.

On the 12th Jan., 100 bbls. of the Flour were sold to O. S. Littlefield, on account, at $8 per bbl. What has been received? A claim against O. S. Littlefield for the amount of 100 bbls. Flour, at $8 per bbl. O. S. Littlefield, therefore, is Dr. What has been parted with? Merchandise. Merchandise, therefore, is Cr. The entry in the Waste Book, then, must be as entered on page 13.

On the 18th Jan., 100 bbls. of the Pork were sold to George Lincoln, at $20 per bbl., cash. What has been received? Not — as in the sale of the Flour on the 12th — a claim against the purchaser, but Cash. What has been parted with? Merchandise. The entry in the Cash Book, then, must be as entered on page 18.

On the 19th Jan., bought of Brastow & Co. 50 bbls. Molasses, containing 1875 gallons, at 25 cents per gallon, cash. Merchandise — received — is Dr.; Cash — parted with — is Cr. The entry, then, must be on the right hand page of the Cash Book, as on page 19.

On the 23d Jan., bought of Charles Crosby 50 bales of Gunny Bags, at 10 cents per bag, (Gunny Bags are packed 250 in a bale; consequently there would be 12,500 bags in 50 bales,) and shipped them, by the ship Staghound, to San Francisco, consigned to Henry Howe, with instructions to sell and remit the proceeds. The Gunny Bags were paid for by a note dated the same day, payable in 4 months. Merchandise has been received; but it is Merchandise which has the title of Shipment or Adventure, and may be called Adventure per Staghound, No. 1. Notes Payable is Cr. The entry must be as on page 13.

On the 26th Jan., O. S. Littlefield paid cash for the Flour which he bought on the 12th. The entry must be as on page 18.

On the 27th Jan., paid premium of insurance on the Gunny Bags, from Boston to San Francisco; (insured by the Washington Insurance Co. for $1400, at 3 per cent., with the usual charge of $1 for the policy of insurance;) on the 28th, paid truckage on the same, $5; and on the 30th paid wharfage, $5. The entries must be as on page 19.

On the 2d Feb., shipped the remaining 100 bbls. of Pork on hand, by the ship Staghound, to San Francisco, consigned to Henry Howe, with instruc-

tions to sell and remit the proceeds. The transaction requires only a change in accounts, and the entry must be as on page 14.

On the 27th Feb., the State Bank discounted the note of B. D. Jameson, which was dated Dec. 5, 1859, and which would be due June 8, 1860; (for every note, draft, or acceptance is entitled to three "days' grace," after the expiration of the time for which it is given, unless the contrary is expressed upon its face; therefore this note, dated Dec. 5, 1859, would be payable June 8, 1860; usually expressed thus: June $^{5}/_{8}$;) and after deducting the interest for the time from Feb. 27 to June 8, the Bank paid the balance in cash. Cash (for the amount received from the Bank) and Interest (for the amount of interest or discount deducted by the Bank) are the Drs., and Notes Receivable is Cr. Two entries (one in the Waste Book and one in the Cash Book) are to be made for this discounted note, and must be as on pages 14 and 18.

On the 1st March, 100 bbls. Flour were sold to Joseph Marshall, at $8⅛ per bbl., payable in 6 months, and his note for the amount was received in payment. The entry must be as on page 14.

On the 3d March, paid premium of insurance on the Pork, from Boston to San Francisco, (insured by the Franklin Insurance Co. for $1600, at 3 per cent., with $1 for policy;) on the 5th, paid truckage on the same, $4; and on the 7th, paid wharfage, $4. The entries must be as on page 21.

On the 17th March, paid note to John Wheeler, for $1000, due March $^{14}/_{17}$. The entry must be as on page 21.

On the 20th March, bought of G. O. Clark 500 bbls. Rosin, at $1½ per bbl., cash, and shipped it by ship Commodore, bound for Liverpool, consigned to John Howard, with orders to sell, and remit the proceeds. The entry must be as on page 21.

On the 20th April, 50 bbls. Molasses, gauging 1875 gallons, were sold to George T. Knapp, of Portland, on account, at 30 cents per gallon; and on the 27th, 50 bbls. Flour were sold to him, on account, at $8¼ per bbl. The entries must be as on page 14.

On the 28th April, 200 bbls. Flour were sold to Joseph Marshall, at $8⅛ per bbl., cash. Entry on page 20.

On the 1st May, drew a draft on George T. Knapp for amount of bill against him, ($975,) at five days' sight, (i. e., eight days after it was presented to, and accepted by him, he would be required to pay it,) and sent it to him for acceptance. On the 3d, received the draft back, he having *accepted* it, by writing across its face,

Accepted, May 2, 1860.

George T. Knapp.

after which it must be called an *Acceptance*. Entry on page 15.

On the 9th May, sent the acceptance of George T. Knapp (which would be due May $^{7}/_{10}$) to Portland for collection; on the 10th he paid it, and on the 11th the money was received. Entry on page 22.

On the 26th May, paid note to Charles Crosby, for $1250, due May $^{23}/_{26}$. Entry on page 23.

On the 29th May, received from John Howard account sales of the Rosin which was consigned to him by the ship Commodore, and also a Bill of Exchange (draft) on London (i. e., on some banking house in London) for the net proceeds, amounting to £210 stg., (210 pounds sterling.) This Bill of Exchange was sold to C. F. Hall, at 9 per cent. premium. (The nominal par value of the £ stg. is $4.44⅔.) Entry on page 22.

On the 1st June, received by ship Monmouth, from New Orleans, 25 hhds. Sugar; a consignment

from John Babcock, of New Orleans, and paid to the ship freight, at $4 per hhd. On the 2d, paid truckage, $5; and on the 4th, wharfage, $5. Entries on page 23.

On the 4th June, sold the Sugar which was received from John Babcock, and which weighed 41,237 lbs., to John G. Emerson, at 6 cents per lb., cash. Charged the consignment a commission of 2½ per cent. on the amount of the sale. Sent account sales to J. B., requesting him to draw (his draft) for the net proceeds — $2302.37 — (i. e., for the amount received for the Sugar, less the freight, truckage, wharfage, and commission.) Entries on pages 15 and 22.

On the 12th June, bought 10 shares Western Railroad Stock, at $100 per share, cash. Entry on page 23.

On the 15th June, bought of G. O. Clark, 400 bbls. Rosin, at $1½ per bbl., cash, and shipped it by ship Sea Flower, bound for Liverpool, consigned to John Howard, with orders to sell, and remit the proceeds. Entry on page 25.

On the 18th June, bought of George Lincoln the schr. Union, for $3000, and paid for her, one half in cash, and one half by note at 4 months. Entries on pages 15 and 25.

On the 20th June, received from Henry Howe account sales of the Gunny Bags and the Pork, consigned to him. The net proceeds, as appears by the account sales, amount to $1690 on the Gunny Bags, and $1495.25 on the Pork. Also received from him, on account of the proceeds of said Gunny Bags and Pork, a draft on C. F. Hall for $2000, (which amount has been received from C. F. H.,) for which draft H. H. paid in San Francisco, in addition to the $2000, exchange at 3 per cent. on the same, or $60, and for which, as well as the $2000, he must be credited.

In the example on page 8, of net proceeds of the Rosin, there was no necessity of debiting the consignee (or seller of the goods) with the amount of the net proceeds, and then crediting him with the cash, because the remittance was in full for the net proceeds, and crediting the Adventure by debiting Cash was all that was necessary; but in the above example, only a part of the proceeds of two adventures has been received, the balance remaining due from the consignee; and as it is also uncertain how much of the remittance belongs to each adventure, it will be necessary to debit Henry Howe with the amount of net proceeds of the Adventures, and credit him with Cash as received, and Exchange, until they shall equal in amount the net proceeds. Entries on pages 15, 16, and 24.

On the 25th June, paid John Babcock's draft, payable at sight, for $2302.37, being for amount of net proceeds of Sugar, as per account sales sent him on the 4th inst. Entry on page 25.

On the 30th June, received from Henry Howe, in full for balance due for net proceeds of the Gunny Bags and Pork, a draft on C. F. Hall for $1092.47, (which amount has been received from C. F. H.,) for which draft H. H. paid 3 per cent. exchange, or $32.78. Entries on pages 16 and 24.

Exchange account having been debited with the exchange paid in San Francisco on the proceeds of the two Adventures, it will be necessary to debit the Adventures and credit Exchange account with this exchange, in proportion to the amount of the net proceeds of each adventure. The exchange was paid on the amount remitted, and the net proceeds in San Francisco, therefore, would be 103 per cent. $\frac{100}{103}$ of the net proceeds of each adventure would be the remittance, and the remaining $\frac{3}{103}$ would be the exchange on the remittance. Entry on page 16.

On the 30th June, paid rent of Store, $400; Postage bill, $1.70; Stationery, $15.20. Entries on page 25.

POSTING.

The foregoing make a connected series of business transactions, extending over a space of six months. It is customary, in actual business, to post to the Ledger each day, week, or month, as convenience or necessity may require; but it was thought best, in the preceding examples, to explain the manner of making original entries in some of the more important forms of business transactions before treating of the Ledger.

We will now proceed with the *Posting;* i. e., the collecting in the Ledger, from the books of original entries, all the items of the several accounts, each account on a separate page of the Ledger, or part of a page, as it may be judged will be required, commencing with the first entry in the Waste Book, and posting, by the month, the entries in the Waste Book and Cash Book. The first account is Stock, which is opened by writing at the head of the first page in the Ledger the word *Stock*, with *Dr.* at its left and *Cr.* at its right, in letters much larger than ordinary handwriting. The first space from the left below the heading (on either the Dr. or Cr. side of the Ledger page) is for the date, the second space from the left for the title of the account to which the account named at the head of the page is Dr. or by which it is Cr., the third space for the folio of the book from which the account is posted, and the fourth and fifth spaces for the amount in dollars and cents for which the account is to be debited or credited.

Sundries Dr. to Stock. Stock, then, is *Cr.*

1860.			
Jan. 2	by	*Sundries*	as may be seen by referring to folio
1	of the Waste Book, for	*9000 00*	

and in form will stand in the Ledger as posted on page 27.

The item having been posted, the next thing to be done (in order to know at any subsequent time that the item has been posted, and also to know the page of the Ledger to which it has been posted) is to place the post-mark (a figure denoting the Ledger folio) in the second space from the left, in the book from which it has been posted, and on a line with the title of the account in the third space; and, finally, in the Index, under the letter S, write the title of the Ledger account, and at its right the folio of the Ledger upon which the account may be found.

Posting an account, then, consists in its completeness of entering in the Ledger, placing the post-mark and (unless it has been done at some previous posting to the same account) the indexing.

The Cr. side of the entry having been posted, the Dr. side must next be taken. The Drs. are Merchandise and Notes Receivable. *Merchandise is Dr. to Stock* $6500, and *Notes Receivable is Dr. to Stock* $2500, and they will stand as posted on pages 27 and 28.

The other Waste Book entries for the month of January, in their order, are posted in the same manner; after which the Cash Book entries for the month may be posted, commencing with *Cash Dr. to Stock. Stock is Cr. by Cash* $5000, as posted on page 27.

No Cash account is opened in the Ledger, as it would only be a repetition of the Cash Book, which of itself is a Cash account, and therefore only one posting need be made to the Cash Book entries, though there is no objection to opening a Cash account in the Ledger if it should be preferred.

The other Cash Book entries for the month of January being posted in their order and to their several accounts, the posting of the Waste Book and Cash Book entries for the succeeding months, month by month, follow.

CLOSING ACCOUNTS.

Whenever any Ledger account balances, i. e., when the Dr. and Cr. sides are equal in amount, close the account by drawing single lines under the money spaces, adding the amounts above, and placing the sum under the line, and then finish by drawing double lines under the sum, and a single line at their left, about one fourth across the title of account space, commencing at the left. An account balancing itself, and closed, will stand as on page 29, first account.

Sometimes an account may be closed, which in itself does not balance. An Adventure account, for instance, if the proceeds have been received, may be made to balance by debiting it to, or crediting it by, (as the case may be,) *Profit & Loss* for the amount of the gain or loss, as on page 31, first account; by which it will be seen that the amount received for the Rosin was $1017.33, and that the cost was $750. The difference, ($267.33,) which is to the credit of the Adventure, is the gain on the Rosin. Now, if the account has been credited with $267.33 more than it has been debited, it must be balanced or closed by debiting it with this amount, and if the account is debited, some account must be credited. As this balance of $267.33 is the gain on the Adventure, therefore Profit & Loss account must be credited.

TRIAL BALANCE.

At the close of each month, after all the original entries have been posted, it is customary to take a Trial Balance of the Ledger; i. e., to take off on paper the balances of the several accounts, including the balance from the Cash Book, to see if the posting has been done without error, by making the sum of the balances of the Drs. and of the Crs. equal in amount, as on page 37.

CLOSING THE LEDGER.

In actual business, it is the practice to take an account of the stock in trade on hand, and close the Ledger, once a year; but it will answer every purpose to close the foregoing at the termination of the six months.

The object of closing the Ledger is to ascertain the amount of gain or loss since the opening of the books, or since the last closure, and, consequently, to ascertain the amount of net capital at the time of closing.

All the Ledger accounts except Stock, Profit & Loss, and Balance, are closed by their several balances being transferred either to Profit & Loss, to Balance, or in part to each of these two accounts. Accounts representing property, and indebtedness by or to others, must always be closed with Balance for the amount of the property or indebtedness; and those representing gain or loss may always be closed with Profit & Loss for the amount of the gain or loss. Profit & Loss and Balance accounts are closed by their balances being transferred to Stock; and these last two transfers will of necessity close Stock account, and leave the Ledger closed. The balance transferred from Profit & Loss to Stock will show the net gain or loss, (as on page 32,) and the balance transferred from Balance to Stock will show the net capital (as on page 36) at the time of closing.

The accounts may be taken in their order, commencing with MERCHANDISE. The Dr. side of the account shows the cost, and the Cr. side the amount of the sales. *If all the merchandise has been sold*, the account may be closed with Profit & Loss alone, and the Trial Balance will show for what amount; *but if any part remains unsold*, the account must be credited by Balance for the value of the portion unsold, and then closed with Profit & Loss. The Trial Balance for June shows a Cr. balance of $743.75; but by taking account of stock, it will be found that 50 bbls. Flour (say worth $8 per bbl.) remain unsold. Merchandise account, then, must be credited by Balance $400, and Balance account must be debited to Merchandise $400. The Cr. balance of Merchandise is now $1143.75, and the account may be closed by debiting it to Profit & Loss, and crediting Profit & Loss by Merchandise.

NOTES RECEIVABLE. The balance, if any, must be on the Dr. side, and for the amount of the notes on hand; consequently the account must be closed with Balance, and the Trial Balance will show for what amount.

NOTES PAYABLE. The balance, if any, must be on the Cr. side, and for the amount of the notes outstanding; consequently the account must be closed with Balance.

O. S. LITTLEFIELD. The account, having previously balanced itself, has already been closed.

ADVENTURES PER STAGHOUND, Nos. 1 and 2. The proceeds having been received, these accounts may be closed with Profit & Loss.

INTEREST. The Dr. side shows the amount paid, and the Cr. side the amount received, and the balance the gain or loss; consequently the account may be closed with Profit & Loss.

ADVENTURE PER COMMODORE. The account has already been closed.

GEORGE T. KNAPP. Closed.

CONSIGNMENT FROM JOHN BABCOCK. Closed.

COMMISSION. The Dr. side shows the amount paid, and the Cr. side the amount received, and the balance the gain or loss; consequently the account may be closed with Profit & Loss.

SCHR. UNION. As she is still on hand, the account must be closed with Balance.

HENRY HOWE. Closed.

EXCHANGE. Closed.

WESTERN RAILROAD STOCK. All the shares which were bought are still on hand, and the account must be closed with Balance.

ADVENTURE PER SEA FLOWER. As the proceeds have not been received, the account must be closed with Balance.

EXPENSE. The Dr. side shows the amount paid, and the Cr. side the amount received, and the balance the gain or loss; consequently the account may be closed with Profit & Loss.

PROFIT & LOSS. After the closures and transfers as above, the Cr. side will show the whole amount of the several gains, and the Dr. side the whole amount of the several losses; and the balance the net gain or loss. The account may be closed with Stock.

BALANCE. After the closures and transfers as above, and including the balance from the Cash Book, the Cr. side will show the whole amount of debts or liabilities, and the Dr. side the whole amount of assets or property, and the balance the net capital. The account must be closed with Stock.

STOCK. The balances having been transferred from Profit & Loss and Balance, the account will be found to be closed.

The balance from Profit & Loss shows the net gain to be $1246, and the balance from Balance shows the net capital to be $14,246.

RE-OPENING OF THE LEDGER.

If it is not intended to continue business, the Ledger will remain closed; but if business is to be continued, the balances of all those accounts that were closed with Balance, including Stock, must be opened by bringing down the balances with which the accounts were closed, on the opposite side, of course, from which the balance was used in closing the account, and the Ledger will then be ready for future postings.

Boston, January 2, 1860. 1

1	*Sundries* Dr. to Stock				
	Commenced business with the following named property, to debit of				
1	*Merchandise, for*				
	500 bbls. Flour, worth $7 per bbl. 3500.00				
	200 " Pork, " $15 " 3000.00	6500	00		
2	*Notes Receivable, for B. D. Jameson's note, dated Dec. 5, 1859, payable in 6 mos.*	2500	00		
	"			9000	00
1	*Stock* Dr. to Notes Payable				
2	*For my note to John Wheeler, dated Nov. 14, 1859, payable in 4 mos.*	1000	00		
	12			1000	00
3	*O. S. Littlefield* Dr. to Merchandise				
1	*For 100 bbls. Flour sold him @ $8 per bbl.*	800	00		
	23			800	00
3	*Adventure per Staghound, No. 1*				
2	Dr. to Notes Payable				
	Bo't of Charles Crosby 50 bales of Gunny Bags @ 10c. per bag, and gave him my note for the amount, dated this day, payable in 4 mos. Shipped the same to San Francisco per ship Staghound, consigned to Henry Howe for sales and returns: 50 bales, 12,500 bags @ 10c.	1250	00		
				1250	00

2

Boston, February 2, 1860.

4	Adventure per Staghound, No. 2				
1	Dr. to Merchandise				
	Shipped from store 100 bbls. Pork to San Francisco per ship Staghound, consigned to Henry Howe for sales and returns, valued at $15 per bbl.	1500	00		
	27			1500	00
4	Interest				
2	Dr. to Notes Receivable				
	Discount by State Bank on B. D. Jameson's Note, due June 8 3 months 12 days	42	50		
	March 1			42	50
2	Notes Receivable				
1	Dr. to Merchandise				
	Received of John Marshall his note dated this day, payable in 6 months, for 100 bbls. Flour sold him, @ $8⅛ per bbl.	812	50		
	April 20			812	50
5	George T. Knapp (Portland)				
1	Dr. to Merchandise				
	For 50 bbls. Molasses sold him 1875 galls. @ 30 c. per gall.	562	50		
	27			562	50
5	George T. Knapp				
1	Dr. to Merchandise				
	For 50 bbls. Flour sold him @ $8¼ per bbl.	412	50		
				412	50

3

Boston, May 3, 1860.

2	Notes Receivable				
5	Dr. to George T. Knapp				
	Received of him his acceptance, May 2, 5 ds. sight, of my draft, dated May 1, for	975	00		
	June 4			975	00
6	Cons'nt from John Babcock (N. Orleans)				
7	Dr. to Commission				
	On sale of 25 hhds. Sugar to John G. Emerson. Amo't $2474.22 @ 2½ %	61	85		
	18			61	85
7	Schr. Union				
2	Dr. to Notes Payable				
	Bought of George Lincoln the schr. Union for $3000, and paid half cash (see Cash Book) and half by note, dated this day, payable in 6 mos., for	1500	00		
	20			1500	00
8	Henry Howe (San Francisco)				
	Dr. to Sundries				
	Received of him account sales of Adventures per ship Staghound, to Cr. of				
3	Adventure per Staghound, No. 1, net proceeds of 50 bales Gunny Bags, as per account sales	1690	00		
4	Adventure per Staghound, No. 2, net proceeds 100 bbls. Pork, as per account sales	1495	25		
				3185	25

4

Boston, June 20, 1860.

8	Exchange Dr. to Henry Howe					
8	Ch'd on remittance of $2000 @ 3%	60	00			
	30				60	00
8	Exchange Dr. to Henry Howe					
8	Ch'd on remittance of $1092.47 @ 3%	32	78			
	"				32	78
	Sundries Dr. to Exchange					
8	Ch'd by Henry Howe on remittance of proceeds of Adventures per ship Staghound to debit of					
3	Adventure per Staghound, No. 1 3% on remittance of proceeds	49	22			
4	Adventure per Staghound, No. 2 3% on remittance of proceeds	43	56			
					92	78

FORM OF NOTE BOOK.

Left hand Page.

Notes Receivable in June, 1860.

Date.	From whom received.	On what account.	Time.	When due.	Amount.		Remarks.
1859. Dec. 5	B. D. Jameson		6 mos.	8	2500	00	Dis. by St. Bank

Right hand Page.

Notes Payable in May, 1860.

Date.	To whom payable.	On what account.	Time.	When due.	Amount.		Remarks.
1860. Jan. 23	Charles Crosby	Gunny Bags per S.	4 mos.	26	1250	00	

1

Dr. Cash.

1860.						
Jan. 2	1	To Stock, for amount on hand at commencement of business	5000	00		
18	1	Merchandise, rec'd of George Lincoln for 100 bbls. Pork sold him, at $20 per bbl.	2000	00		
26	3	O. S. Littlefield, rec'd of him for 100 bbls. Flour sold him 12th inst.	800	00		
					7800	00
Feb. 1		Balance on hand	7278	25		
27	2	To Notes Receivable, discounted by State Bank B. D. Jameson's note for $2500, due June 5/8, and received	2457	50		
					9735	75

2

Cash. Cr.

1860.						
Jan. 19	1	By Merchandise, paid Brastow & Co. for 50 bbls. Molasses bought of them, 1875 galls. @ 25 c. per gall.	468	75		
27	3	Adventure per Staghound, No. 1, paid Washington Ins. Co. premium of insurance on 50 bales Gunny Bags per ship Staghound to San Francisco, insured for $1400 @ 3 %, and $1 for policy	43	00		
28	3	Adventure per Staghound, No. 1, paid truckage on 50 bales Gunny Bags to ship	5	00		
30	3	Adventure per Staghound, No. 1, paid wharfage on 50 bales Gunny Bags per ship	5	00		
31		Balance on hand	7278	25		
					7800	00
Feb. 29		Balance on hand	9735	75		
					9735	75

3 Dr. Cash.

1860.						
Mar. 1		Balance on hand	9735	75		
					9735	75
Apr. 2		Balance on hand	7928	75		
28	1	To Merchandise rec'd of Joseph Marshall for 200 bbls. Flour sold him @ $8⅛ per bbl.	1625	00		
					9553	75

Cash. Cr. 4

1860.						
Mar. 3	4	By Adventure per Staghound, No. 2, paid Franklin Ins. Co. premium of insurance on 100 bbls. Pork per ship Staghound to San Francisco, insured for $1600 @ 3 %, and $1 for policy	49	00		
5	4	Adventure per Staghound, No. 2, paid truckage on 100 bbls. Pork to ship	4	00		
7	4	Adventure per Staghound, No. 2, paid wharfage on 100 bbls. Pork per ship	4	00		
17	2	Notes Payable, paid note to John Wheeler, due this day, for	1000	00		
20	5	Adventure per Commodore, paid G. O. Clark for 500 bbls. Rosin bought of him @ $1½ per bbl., and shipped to Liverpool per ship Commodore, consigned to John Howard	750	00		
31		Balance on hand	7928	75		
					9735	75
Ap. 30		Balance on hand	9553	75		
					9553	75

5 Dr. Cash.

1860.						
May 1		Balance on hand	9553	75		
11	2	To Notes Receivable, rec'd of George T. Knapp, amount of his acceptance due 10th inst.	975	00		
29	5	Adventure per Commodore, rec'd of C. F. Hall for Exchange for £210 stg. sold him @ 9 % premium, said Exchange having been rec'd from John Howard as net proceeds of 500 bbls. Rosin consigned to him	1017	33		
					11546	08
June 1		Balance on hand	10296	08		
4	6	To Consignment from John Babcock, received of John G. Emerson, for 25 hhds. Sugar, consignment from J. B., 41,237 lbs. @ 6 c.	2474	22		
					12770	30

Cash. Cr. 6

1860.						
May 26	2	By Notes Payable, paid note to Charles Crosby, due this day, for	1250	00		
31		Balance on hand	10296	08		
					11546	08
June 1	6	By Consignment from John Babcock (N. Orleans), paid to ship Monmouth freight on consignment of 25 hhds. Sugar from J. B.	100	00		
2	6	Consignment from John Babcock, paid truckage on 25 hhds. Sugar	5	00		
4	6	Consignment from John Babcock, paid wharfage on 25 hhds. Sugar	5	00		
12	9	Western Railroad Stock, paid for 10 shares @ $100 per share	1000	00		
"		Balance on hand	11660	30		
					12770	30

7 Dr. Cash.

1860						
June 12		Balance on hand	11660	30		
20	8	To Henry Howe, rec'd of C. F. Hall amount of draft on him, received from H. H. on account proceeds of Adventures per ship Staghound	2000	00		
30	8	Henry Howe, rec'd of C. F. Hall amount of draft on him received from H. H., being balance of proceeds of Adventures per ship Staghound	1092	47		
					14752	77

Cash. Cr. 8

1860.						
June 15	9	By Adventure per Sea Flower, paid G. O. Clark for 400 bbls. Rosin bought of him @ $1½ per bbl., and shipped to Liverpool per ship Sea Flower, consigned to John Howard	600	00		
18	7	Schr. Union, paid George Lincoln for schr. Union, in part. (See Waste.)	1500	00		
25	6	Consignment from John Babcock, paid C. F. Hall, John Babcock's draft for net proceeds Sugar per ship Monmouth	2302	37		
30	10	Expense, paid rent of Store 400.00				
		" " postage bill 1.70				
		" " stationery " 15.20	416	90		
"		Balance	9933	50		
					14752	77

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Dr. Stock. Cr.

1860					1860				
Jan. 2	Notes Pay'ble	1	1000	00	Jan. 2	Sundries	1	9000	00
June 30	Balance		14246	00	"	Cash	"	5000	00
					June 30	Profit & Loss		1246	00
			15246	00				15246	00

Dr. Merchandise. Cr.

1860					1860				
Jan. 2	Stock	1	6500	00	Jan. 12	O. S. Littlefd	1	800	00
19	Cash	2	468	75	18	Cash	"	2000	00
June 30	Profit & Loss		1143	75	Feb. 2	Ad. per S. 2	2	1500	00
					Mch. 1	Notes Rec'ble	"	812	50
					Apr. 20	G. T. Knapp	"	562	50
					27	"	"	412	50
					28	Cash	3	1625	00
					June 30	Balance		400	00
			8112	50				8112	50

2

Dr. Notes Receivable. Cr.

1860					1860				
Jan. 2	Stock	1	2500	00	Feb. 27	Interest	2	42	50
					"	Cash	1	2457	50
			2500	00				2500	00
Mch. 1	Merchandise	2	812	50	May 11	Cash	5	975	00
May 3	G. T. Knapp	3	975	00	June 30	Balance		812	50
			1787	50				1787	50

Dr. Notes Payable. Cr.

1860					1860				
Mh. 17	Cash	4	1000	00	Jan. 2	Stock	1	1000	00
My 26	"	6	1250	00	23	Ad. per S. 1	"	1250	00
			2250	00				2250	00
June 30	Balance		1500	00	June 18	Sch. Union	3	1500	00

3

Dr. O. S. Littlefield. Cr.

1860					1860				
Jan. 12	Merchandise	1	800	00	Jan. 26	Cash	1	800	00

Dr. Adventure per Staghound, No. 1. Cr.

1860					1860				
Jan. 23	Notes Pay'ble	1	1250	00	June 20	Henry Howe	3	1690	00
27	Cash	2	43	00					
28	"	"	5	00					
30	"	"	5	00					
June 30	Exchange	4	49	22					
"	Profit & Loss		337	78					
			1690	00				1690	00

4

Dr. Adventure per Staghound, No. 2. Cr.

1860					1860				
Feb. 2	Merchandise	2	1500	00	June 20	Henry Howe	3	1495	25
Mch. 3	Cash	4	49	00	30	Profit & Loss		105	31
5	"	"	4	00					
7	"	"	4	00					
June 30	Exchange	"	43	56					
			1600	56				1600	56

Dr. Interest. Cr.

1860					1860				
Feb. 27	Notes Rec'ble	2	42	50	June 30	Profit & Loss		42	50

5

Dr. Adventure per Commodore. Cr.

1860					1860				
Mch 20	Cash	4	750	00	My 29	Cash	5	1017	33
My 29	Profit & Loss		267	33					
			1017	33				1017	33

Dr. George T. Knapp, Portland. Cr.

1860					1860				
Apl 20	Merchandise	2	562	50	May 3	Notes Rec'ble	3	975	00
27	"	"	412	50					
			975	00				975	00

6

Dr. Profit & Loss. Cr.

1860					1860				
June 30	Adv. per S. 2		105	31	My 29	Adv. per Com.		267	33
"	Interest		42	50	June 30	Merchandise		1143	75
"	Expense		416	90	"	Adv. per S. 1		337	78
"	Stock		1246	00	"	Commission		61	85
			1810	71				1810	71

Dr. Consignment from J. Babcock, N. Orleans. Cr.

1860					1860				
June 4	Commission	3	61	85	June 4	Cash	5	2474	22
1	Cash	6	100	00					
2	"	"	5	00					
4	"	"	5	00					
25	"	8	2302	37					
			2474	22				2474	22

7

Dr. Commission. Cr.

1860					1860				
June 30	Profit & Loss		61	85	June 4	Con. fm J. B.	3	61	85

Dr. Schr. Union. Cr.

1860					1860				
June 18	Notes Pay'ble	3	1500	00	June 30	Balance		3000	00
"	Cash	8	1500	00					
			3000	00				3000	00

8

Dr. Henry Howe, San Francisco. Cr.

1860					1860				
June 20	Sundries	3	3185	25	June 20	Exchange	4	60	00
					30	"	"	32	78
					20	Cash	7	2000	00
					30	"	"	1092	47
			3185	25				3185	25

Dr. Exchange. Cr.

1860					1860				
June 20	Henry Howe	4	60	00	June 30	Sundries	4	92	78
30	"	"	32	78					
			92	78				92	78

9

Dr. Western Railroad Stock. Cr.

1860					1860				
June 12	Cash	6	1000	00	June 30	Balance		1000	00

Dr. Aventure per Sea Flower. Cr.

1860					1860				
June 15	Cash	8	600	00	June 30	Balance		600	00

10

Dr. Expense. Cr.

1860					1860				
June 30	Cash	8	416	90	June 30	Profit & Loss		416	90

Dr. Balance. Cr.

1860					1860				
June 30	Merchandise		400	00	June 30	Notes Pay'ble		1500	00
"	Notes Rec'ble		812	50	"	Stock		14246	00
"	Sch. Union		3000	00					
"	W. R. Stock		1000	00					
"	Ad. per S. F.		600	00					
"	Cash		9933	50					
			15746	00				15746	00

Trial Balance, Jan. 31, 1860.

Stock	1000	00	14000	00			13000	00
Merchandise	6968	75	2800	00	4168	75		
Notes Receivable					2500	00		
Notes Payable							2250	00
Adv. per Staghound, No. 1					1303	00		
Cash Book					7278	25		
					15250	00	15250	00

Trial Balance, June 30, 1860.

Stock	1000	00	14000	00			13000	00
Merchandise	6968	75	7712	50			743	75
Notes Receivable	1787	50	975	00	812	50		
Notes Payable							1500	00
Adv. per Staghound, No. 1	1352	22	1690	00			337	78
" " " 2	1600	56	1495	25	105	31		
Interest					42	50		
Profit & Loss							267	33
Commission							61	85
Schr. Union					3000	00		
Western Railroad Stock					1000	00		
Adv. per Sea Flower					600	00		
Expense					416	90		
Cash Book					9933	50		
					15910	71	15910	71

MERCANTILE FORMS.

NOTE.

$1000.00 Boston, Nov. 14, 1859

Four months after date, I promise to pay to the order of John Wheeler One thousand dollars, value received.

Edward Wilson

BILL.

Boston, Jan. 12, 1860

Mr. O. S. Littlefield

Bought of Edward Wilson

100 bbls. Flour @ $8 $800.

Rec'd payment, Jan. 26, 1860.

Edward Wilson

INVOICE.

Invoice of Gunny Bags shipped by Edward Wilson on board ship Staghound, bound from Boston to San Francisco, consigned to Mr. Henry Howe for sales and returns

50 bales, 250 ea. = 12,500 Gunny Bags @ 10 c.	1250	00
Charges		
Insurance 43. Truckage 5. Wharfage 5.	53	00
E. Ex.	1303	00
Boston, Jan. 23, 1860		
Edward Wilson		

ACCOUNT SALES.

Account Sales of 25 hhds. Sugar received per Ship Monmouth, for account of John Babcock, New Orleans.

25 hhds = 41,237 lbs. Sugar @ 6 c.			2474	22
Charges				
Freight	100	00		
Truckage 5. Wharfage 5.	10	00		
Commission 2474.22 @ 2½%	61	85	171	85
Net proceeds			2302	37
E. Ex.				
Boston, June 4, 1860				
Edward Wilson				

ACCOUNT CURRENT.

Mr. Edward Wilson in Account Current with Henry Howe.

	Dr.		Cr.	
By net proceeds 50 bales Gunny Bags, per ship Staghound			1690	00
" " " 100 bbls. Pork, do.			1495	25
To remittance in draft on C. F. Hall	2000	00		
" Exchange on remittance of $2000 @ 3%	60	00		
" remittance in draft on C. F. Hall	1092	47		
" Exchange on remittance of $1092.47 @ 3%	32	78		
	3185	25	3185	25
E. Ex.				
San Francisco, June 10, 1860				
Henry Howe				

DRAFT.

$975.00 *Boston, May 1, 1860.*

Five days after sight, pay to the order of myself Nine Hundred and Seventy-five Dollars, value received, and charge the same to account of

Your Ob't Servant, *Edward Wilson.*

To Mr. George T. Knapp,
Portland, Me.

ACCEPTANCE.

The above Draft would become an Acceptance by the writing by the person to whom it was addressed, *across the face*, (usually done with red ink,) as on page 8; and when it is paid, the signature of the person in whose favor the Draft was made would be written across the *back*.

BILL OF EXCHANGE.

Exchange for $1092.47 *San Francisco, June 10, 1860.*

At sight of this First of Exchange, (second and third of the same tenor and date unpaid,) pay to the order of Edward Wilson One Thousand and Ninety-two and $\frac{47}{100}$ Dollars, value received, and place the same to account of

Your Ob't Servants, *J. C. George & Co.*

To Mr. C. F. Hall,
Boston, Mass.

Two additional bills are required to complete the above "Set of Exchange;" one reading "this SECOND of Exchange, (first and third" "unpaid,)" and the other, "this THIRD of Exchange (first and second" "unpaid.)" One of these bills being paid by the person to whom they are addressed, (i. e., the person on whom they are drawn,) the remaining two become null and void.

EXAMPLES FOR PRACTICE.

COMMENCE business in Boston on the 2d day of July, 1860, with 50 bbls. Flour, worth $8 per bbl.; schr. Union, worth $3000; 10 shares Western Railroad Stock, worth $100 per share; 400 bbls. Rosin, on board ship Sea Flower, on her passage to Liverpool, which cost $1½ per bbl., (consigned to John Howard, to be sold for your account;) Joseph Marshall's note for $812.50, dated March 1, 1860, payable in 6 months; $9933.50 in Bank; — and owing George Lincoln a note for $1500, dated June 18, 1860, payable in 6 months, and make the original entries therefor in the Waste Book and Cash Book.*

On the 10th of July, buy of George Lincoln 100 bbls. Molasses, containing 3820 galls., at 24 cents per gall., cash, and make the entry in the Cash Book.

On the 13th July, buy of Brastow & Co. 500 kegs Syrup, (5 galls. each,) at 43 cents per gall., cash, and ship the same to San Francisco per ship Winged Arrow, consigned to Henry Howe, to be sold for your account, and make the entry.

On the 14th of July, buy of Charles Crosby 100 bbls. Beef, at $14 per bbl., for your note, dated the same day, payable in 6 months, and ship the same per ship Winged Arrow, consigned to Henry Howe, to be sold for your account, and make the entry in the Waste Book.

On the 16th July, pay premium of insurance on the Syrup and Beef, (insured by the Washington Insurance Co., $1150 on Syrup and $1450 on Beef, at 3 per cent., and $1 for policy, charging half of policy to each shipment,) and make the entries.

On the 31st July, sell O. S. Littlefield 50 bbls. Flour, at $9¼ per bbl., on account, and make the entry.

Balance the Cash Book for the month, and if the entries have been correctly made, you will find the balance on hand to be $7862.70.

Post the entries of the Waste Book and Cash Book, and take Trial Balance of the Ledger, including the balance of Cash. When the whole has been correctly done, the Dr. balances of the Trial Balance will be found to be, besides Cash as above, Merchandise, 854.30, schr. Union, 3000, Western Railroad Stock, 1000, Adv. per Sea Flower, 600, Notes Receivable, 812.50, Adv. per Winged Arrow, No. 1, 1110, Adv. per Winged Arrow, No. 2, 1444, and O. S. Littlefield, 462.50; and the Cr. balances will be found to be, Stock, 14,246, and Notes Payable, 2900. The aggregate of either the Dr. or Cr. balances will be found to be $17,146.

On the 1st Aug., sell to B. D. Jameson the schr. Union for $3750, for his note dated the same day, payable in 6 months.

On the 8th Aug., receive from O. S. Littlefield $462.50, amount charged him 31st July for Flour sold him.

On the 10th Aug., pay wharfage on Syrup, $5, and on Beef, $4, shipped per Winged Arrow.

On the 17th Aug., pay truckage on the Syrup, $5, and on Beef, $4.

On the 31st Aug., buy of Brastow & Co. 300

* NOTE. — Blank books for the Examples for Practice accompany this book. The Waste Book has four leaves, and the Cash Book six leaves, and they are ruled alike. The first two pages of the Ledger are intended for the Index. Allow five lines for the letter A, and three lines for each of the other letters of the alphabet.

bbls. Flour, at $8 per bbl., for your note, dated the same day, payable in 60 days.

Proceed with the posting as at the close of the preceding month, and close the account which balances itself, and also close schr. Union account with Profit & Loss, the vessel having been sold.

The aggregate of the balances of the Trial Balance will amount to $20,296.

On the 3d Sept., sell Western Railroad Stock, at $97 per share, cash.

On the 4th Sept., receive from Joseph Marshall the amount of his note, due Sept. $^1/_4$, for $812.50.

On the 11th Sept., receive from John Howard Exchange for £185 stg. for proceeds of Rosin per ship Sea Flower, and sell the Exchange to C. F. Hall, at 8 per cent. premium.

On the 25th Sept., receive per ship Electric Spark, from New Orleans, 20 hhds. Sugar, a consignment from John Babcock, and pay freight from New Orleans, $100. On the 27th pay wharfage, $5, and on the 29th pay truckage, $5.

After posting, close Western Railroad Stock account with Profit & Loss, the stock having been sold; also close Adv. per Sea Flower with Profit & Loss, the proceeds having been received.

The balances of the Trial Balance will amount to $20,554.

On the 2d Oct., sell John Babcock's Sugar, weighing 33,120 lbs., to John G. Emerson, at 6½ cents per lb., cash, and charge the consignment a commission of 2½ per cent. on the amount of sale.

On the 9th Oct., sell George T. Knapp 50 bbls. Molasses, gauging 1915 galls., at 30 cents per gall., on account.

On the 12th Oct., sell George T. Knapp 200 bbls. Flour, at $9¼ per bbl., on account.

On the 20th Oct., receive from George T. Knapp his acceptance of your draft for $2399.50, at 5 days' sight, (draft accepted Oct. 19,) for Molasses and Flour sold him.

On the 27th Oct., receive from George T. Knapp amount of his acceptance, due Oct. $^{24}/_{27}$.

On the 31st Oct., pay to C. F. Hall, John Babcock's draft on you at sight for $1988.98, for proceeds of Sugar per ship Electric Spark.

After posting, close the accounts which balance themselves.

The balances of the Trial Balance will amount to $20,607.82.

On the 2d Nov., the State Bank discounts for you, at your request, B. D. Jameson's note for $3750, dated Aug. 1, payable in 6 months.

On the 2d Nov., pay Brastow & Co. your note due them, Oct. 30/Nov. 2, for $2400.

On the 30th Nov., sell Joseph Marshall 50 bbls. Molasses, gauging 1905 galls., at 32 cents per gall., cash.

Post, close accounts, and take Trial Balance.

On the 7th Dec., buy of George Lincoln the brig Massachusetts, for $8000, cash.

On the 15th Dec., receive from Henry Howe account sales of the Syrup and Beef per ship Winged Arrow; net proceeds of the Syrup amounting to $1462, and the net proceeds of the Beef amounting to $1443. Also, receive from him, on account of proceeds of above, a draft (which has this day been paid to you) on C. F. Hall, for $1500, with 3 per cent. exchange on the same paid in San Francisco, and charged to you by Henry Howe.

On the 18th Dec., ship 75 bbls. of the Flour which you have on hand, and which you value at the market price of $9¼ per bbl., per ship City of Boston, to Liverpool, consigned to John Howard, to be sold for your account.

On the 21st Dec., pay George Lincoln your note due him $^{18}/_{21}$, for $1500.

On the 28th Dec., receive from Henry Howe, in full for balance due for net proceeds of Syrup and Beef, per ship Winged Arrow, a draft (which has this day been paid to you) on C. F. Hall, for $1320.39, with 3 per cent. exchange on the same, paid in San Francisco, and charged to you by Henry Howe. Charge the two Adventures with the exchange on the proceeds, (received 15th and 28th,) as explained on page 9.

On the 31st Dec., pay rent of store, $400, postage bill, $1.21, stationery, $12.30.

Balance Cash Book, post, close the accounts which balance themselves, and also close such as may be closed with Profit & Loss, and take Trial Balance. Balance of cash will be found to be $8240. The aggregate of balances of the Trial Balance will be found to be $17,455.79.

Close the Ledger, as explained on pages 11 and 12, estimating the 25 bbls. Flour on hand, unsold, at $9¼ per bbl.

If all the entries, the postings, and the closures have been correctly made, the net gain will be found to be $1519, — the balance transferred from Profit & Loss to Stock; and the capital will be found to be $15,765, — the balance transferred from Balance to Stock.

QUESTIONS.

What is Book-Keeping?

What are the names of the three principal books used in book-keeping?

What does the Cash Book contain? The Waste Book? The Ledger?

What do accounts represent?

What is the left hand side of an account called? The right hand side?

In making an entry of a transaction, the titles of how many accounts are named? What relation have they to each other? What four things are to be considered in making an entry? What principal fact is to be remembered?

In commencing business, what account represents the capital received into the business?

What account is debited, and what credited, when you buy goods and give your note for them? When you sell goods and receive another person's note for them? When you sell goods on account? (say to O. S. Littlefield.) When you receive from any person, to whom you have sold goods, (say to G. T. Knapp,) his acceptance for the value of said goods? When you pay your own note? When you receive the money for the note of another person? What additional account is debited if this last note is discounted by a bank, or otherwise, before it is due?

What is posting?

Posting an account consists of what?

When a Ledger account balances itself, what must be done with it? How?

When and how do you take a trial balance of the Ledger? For what purpose? How can you tell that the purpose is accomplished?

What is the object of closing the Ledger?

How are all Ledger accounts — except Stock, Profit & Loss, and Balance — closed?

What kind of accounts are closed with Balance? What with Profit & Loss?

How are Profit & Loss and Balance accounts closed?

What will the balance from Profit & Loss show?

What will the balance from Balance show?

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